

The Nineteen Eighty-Nine Charitable Trust

Report and Financial Statements

Year ended 31 December 2020

Charity number 1123672

Reference and Administrative details

For the year ended 31 December 2020

Charity number	1123672
Principal address	Chalk Pit House Barrack Hill Coleshill Buckinghamshire HP7 0LW
Trustees	Trustees who served during the year and up to the date of this report were as follows: Sally Woof Nigel Woof
Auditors	Cansdales Audit LLP Bourbon Court, Nightingales Corner Little Chalfont Amersham HP7 9QS
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS

Report of the Trustees

For the year ended 31 December 2020

The trustees present their report and the reviewed financial statements for the year ended 31 December 2020.

Legal and administrative information set out on page 2 forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the trust deed, the Charities Act 2011 and the “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)” (as amended for accounting periods commencing from 1 January 2019).

Objects and aims of the trust for the public benefit

The objects of the trust, as set out in its governing document, are:

1. To relieve poverty, sickness and distress in any part of the world and
2. To advance the education of persons, in particular but not limited to physically and mentally disabled persons, for the public throughout the world or
3. To provide practical or financial support for other charitable organisations established to further these objects or any other charitable purpose as the trustees shall determine from time to time.

During the year the trustees continued their aim of achieving the above objects through the provision of donations and grants for charitable purposes in the United Kingdom and elsewhere.

In making grants the trustees have had regard to the guidance issued by the Charity Commission regarding Public Benefit.

Structure, governance and management

The trust is an unincorporated charity, constructed under a trust deed dated 23 October 2007 and is a registered charity in England and Wales, number 1123672.

The trust has received, periodically, major gifts from private donors and does not actively fundraise.

There are two trustees, who co-founded the trust. They are empowered to appoint further trustees at their discretion.

Management functions are undertaken on a voluntary basis by the trustees themselves. The trustees consider jointly the trust's affairs through meetings with grantee organisations and through discussion on research done on prospective causes for support.

Achievements and performance: how our grant programmes delivered public benefit

In 2020 the trustees continued to focus on grant making in broadly the same thematic areas as in previous years with the addition of contributing to pooled emergency grants to support charities during the coronavirus pandemic. Grants and donations in the year totalled £242,136.

Nineteen Eighty-Nine Charitable Trust

The trust continued its long-term support to Retina UK (formerly RP Fighting Blindness), a charity that funds research into potential therapies for retinal dystrophies that cause sight loss. The trust made a grant of £65,000 to Retina UK in 2019, comprising the third year of a three year commitment 2018-20.

The trust continued its support to a programme of building special needs education facilities in northern Sri Lanka, with grants totalling £64,136 as part of an ongoing programme to build special needs school classrooms. Additionally, the trust made a on-off grant of £10,000 to support provision of schools, children's homes and skills centres in the Indian Himalayas region.

In response to the coronavirus pandemic, the trust provided grants and donations totalling £102,000, the bulk of this being a contribution to a pooled emergency fund in partnership with a grants programme set up by Martin Lewis.

Grant making policy

The trust has an established grant making policy to achieve its objects for the public benefit. The trustees do not generally respond to unsolicited applications for funding, instead seeking charitable organisations and projects that match their areas of knowledge in terms of the charitable sector, location, type of organisation and other factors.

The trustees do not consider making grants to individuals.

Prospective grantee organisations identified by the trustees are invited to provide proposals and other information which vary with the type of cause, organisation and funding.

Grants may be single or multi-year at the trustees' discretion. Wherever feasible the trustees have a preference for making unrestricted donations to allow grantees flexibility in using donated resources to maximise impact and sustainability.

The trustees aim to keep reporting requirements by grantees to a minimum commensurate with appropriate review in the case of multi-stage grants.

Financial review

The trust's work is enabled by donated income. After periodically receiving major gifts on an unrestricted basis, which the trustees thereby regard as expendable endowments, the trustees plan its grants programme on a rolling basis in order to disburse its available resources over a period of several years.

In 2020 the trust received an unrestricted gift of investments valued at £2.925 million, and also received dividend income of £17,134. The bulk of this income has been placed into reserve with a view to a new grant programme from 2021 (see future plans section below). £200,000 of investments were sold to fund short term grant making.

Charitable expenditure in the year totalled £256,462 of which the bulk was donations and grants made but including £14,250 incurred in commissioning a review of strategies and potential partners for the new grant making partnership commenced in 2021. Governance costs comprises accrued audit fees of £1,320.

In addition to the income of new investments, and net of investments realised for grant making, there was a gain of £0.9 million in fixed assets during the year, due to the strength of the investments held. At the year end the total funds of the trust stood at £3.99 million of which £87k comprised cash on deposit and the remainder the value of the investment assets.

Nineteen Eighty-Nine Charitable Trust

The trustees do not consider that there are any material uncertainties to the trust being a going concern.

The charity does not raise funds from the public.

Future plans

Following a strategic review and potential partnership study undertaken during 2020 with the assistance of New Philanthropy Capital and mentioned in last year's TAR, the trustees decided to enter a partnership with grant making charity the Blagrave Trust to distribute the Nineteen Eighty Nine Trust's reserves at a rate of around £1 million per year and the first such grant tranche was made in April 2021. The trustees anticipate that further gift income is likely to be forthcoming from private donors within the next two to three years, in order to continue this new Blagrave grant programme over a number of years.

The Blagrave Trust's grant making programme, which our partnership funding will expand considerably, seeks to bring lasting change to the lives of young people aged 14-25 facing challenge, to enable them to make a positive transition to adulthood. The Nineteen Eighty Nine trustees will engage appropriately with the Blagrave's board to monitor its investment in the programme but the intention is to act as a funding rather than an operational partner.

Alongside the Blagrave partnership the trustees expect to continue with the Nineteen Eighty Nine Trust's direct grant making with a small number of selected causes: cause selection will continue to be proactive and therefore the trustees do not invite unsolicited applications.

Reserves policy and sustainability

The trustees' policy on reserves is to maintain, as a minimum, sufficient available reserves in cash and realisable investments to allow all grant commitments to be met in future years, assuming no further income is received.

As at the end of December 2020 had no current grant commitments in future years although a non binding agreement has since been made with Blagrave Trust, as noted above and the implications of the current level of reserves held have been discussed with Blagrave's trustees.

At the end of the year the trustees considered that the level of investment assets, even allowing for market volatility, covered adequately the short term grant commitments and they therefore resolved to continue to hold the bulk of the trust's assets as investments rather than cash although that is kept under review.

Investment policy and performance

The trust's investments comprise holdings in a listed open-ended investment company (OIEC). The authorised corporate director of the OIEC is Carvetian Capital Management with investment management of the fund undertaken by Sandaire Investment Office (this has changed to Cazenove Capital since the end of 2020). All dividends are re-invested in the fund as they arise.

The OEIC component funds are heavily weighted to equities and therefore subject to the volatility of global share markets. At the same time the portfolio is extremely highly diversified both sectorally and geographically. The trustees recognise that this investment approach carries short term risks and they are therefore mindful that any firm commitments made to grantees or partners must at all times take account of potential draw-downs on the total portfolio value.

Nineteen Eighty-Nine Charitable Trust

During 2020 the unit value of the investments held, including the new gift of shares in April 2020, continued to increase, reflecting the continued strong recovery of global asset markets since the low point at the end of Q1 2020.

Risks

The major risks to which the trust may be exposed, as identified by the trustees, have been reviewed to confirm that systems, where appropriate, exist to mitigate those risks.

The trustees consider the chief risk facing the trust as being variability of investment returns jeopardising the trust's ability to meet its binding and non-binding grant payment commitments which are made up to three years ahead. To mitigate these risks, particular regard is given to short term liquidity to enable the trust to meet its multi-year grant commitments.

A proportion of the trust's grants are in an area of medical research and development. Funding in this sector carries inherently high operational risk that research projects funded may not yield useful outcomes. This risk is managed by the trust's long-term relationship with the UK's leading research funding charity in this field, whose medical advisory board has a strong track record in assessing and selecting research project applications.

While the bulk of the trust's grants are made to UK-based charities that have been subject to due diligence locally, the trustees are mindful that one of their grant programmes, to support special needs education in Sri Lanka, poses potential risks from a range of hazards including a high incidence of fraud and corruption in that country. The trustees are satisfied that the due diligence conducted of and through their implementing partner organisation provides realistic and appropriate risk mitigations.

During 2021 the trust is commencing its new funding partnership with the Blagrove Trust which will distribute grants to a range of UK charities. Having done substantial analysis of Blagrove's capacities and capabilities the trustees of Nineteen Eighty Nine are confident that risks inherent in the partnership are well understood and managed. These will be subjected to periodic review.

Trustees' responsibilities in relation to the financial statements

The law applicable to charities in England and Wales requires the trustees to prepare in respect of each financial year financial statements which give a true and fair view of the state of affairs of the trust and of its financial activities for that period.

In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the applicable Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the activities of the trust will continue.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Audit of accounts

The trustees consider that the trust's gross income in 2020 of £2.942 million requires the accounts to be subject to an audit. The audit firm Cansdales has been appointed accordingly by the trustees at an agreed fee of £1,100 plus VAT.

In so far as the trustees are aware there is no relevant audit information of which the charity's auditor is unaware and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustees on 27 October 2021 and signed on their behalf by

A handwritten signature in dark ink, appearing to read 'Nigel Woof', written in a cursive style.

Nigel Woof
Trustee

Independent Auditor's Report to the Trustees of The Nineteen Eighty-Nine Charitable Trust

Opinion

We have audited the financial statements of The Nineteen Eighty-Nine Charitable Trust (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Nineteen Eighty-Nine Charitable Trust

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and taxation legislation.
- We identified the greatest risks of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and inappropriate revenue recognition. Our audit procedures to respond to the risk of management override of controls included enquiries of management about their own identification and assessment of the risks of irregularities. Our audit procedures to respond to revenue recognition risks included testing income to agree to supporting documentation to ensure revenue has been recognised correctly.
- Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or

Nineteen Eighty-Nine Charitable Trust

non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Cansdales Audit LLP

27 October 2021

Cansdales Audit LLP (Statutory Auditor)

Bourbon Court
Nightingales Corner
Little Chalfont
Bucks HP7 9QS

Cansdales Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Financial Statements

For the year ended 31 December 2020

Statement of financial activities

	Note	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Income and endowments from:					
Donations and legacies	2	-	2,925,000	2,925,000	-
<i>Other income</i>					
Bank deposit interest		-	64	64	51
Income from investments	6	-	17,134	17,134	-
Total income and endowments		-	2,942,198	2,942,198	51
Expenditure on:					
<i>Charitable activities</i>					
Grants paid out	3	-	242,136	242,136	234,379
Administration costs	5	-	14,326	14,326	38
Governance costs	5	-	1,320	1,320	-
Total expenditure		-	257,782	257,782	234,417
Net gains/(losses) on investments	6	-	884,580	884,580	80,514
Net income/(expenditure)		-	3,568,996	3,568,996	-153,852
Transfers between funds		-	-	-	-
Net movement in funds		-	3,568,996	3,568,996	-153,852
Reconciliation of funds					
Total funds brought forward		-	417,962	417,962	571,814
Total funds carried forward		-	3,986,958	3,986,958	417,962

Nineteen Eighty-Nine Charitable Trust

Balance sheet

As at 31 December 2020

		2020 £	2019 £
	Note		
Fixed and investment assets			
Investments	6	3,901,052	274,338
Current assets			
Cash at bank and in hand		87,226	143,624
Liabilities and provisions			
Creditors: amounts due within one year	7	(1,320)	-
Net assets		<u>3,986,958</u>	<u>417,962</u>
Funds	8		
Restricted funds		-	-
Unrestricted funds		<u>3,986,958</u>	<u>417,962</u>
Total funds of the trust		<u>3,986,958</u>	<u>417,962</u>

Statement of cash flows

	2020 £	2019 £
Cash outflows from operating activities		
Reduction in creditors	-144,986	-234,417
Increase in provisions for liabilities	-	-
	1,320	
Returns on investments (realised)		
Bank interest received	64	51
Proceeds from sale of investments	200,000	275,600
(Decrease)/Increase in cash	<u>(56,398)</u>	<u>41,235</u>
Cash brought forward at 1 January	143,624	102,389
Cash carried forward at 31 December	87,226	143,624

Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net movement in funds for the reporting period (per the SOFA)	3,568,996	-153,852
Adjustments for:		
(Increase)/decrease in investment assets	-3,626,714	-80,514
Increase /(decrease) in creditors	-	-
Increase/(decrease) in provisions for liabilities	1,632	-
Net cash provided by (used in) operating activities	-56,398	-234,366

Approved and authorised for issue by the trustees on 27 October 2021 and signed on their behalf by



Nigel Woof
Trustee

Notes to the Financial Statements

For the year ended 31 December 2020

1. Accounting policies

- a. The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. They follow the "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).
- b. The financial statements are prepared in sterling, which is the functional currency of the charitable trust. Monetary amounts in these financial statements are rounded to the nearest £.
- c. The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.
- d. Voluntary income is received by way of donations or grants and is included in full in the statement of financial activities when received. Investment dividends are accounted for as income, including where these are reinvested immediately and not realised as cash.
- e. Grant commitments made in furtherance of the charity's objects are accounted for when the grant payment falls due. Grant pledges made where not binding but contingent upon conditions arising in future years, and hence with significant uncertainty, are not accrued. They are noted in Note 4 below.
- f. Governance expenses are those costs necessarily incurred in compliance with statutory requirements.
- g. All of the assets held by the trust are basic financial instruments within the meaning of FRS 102. Investments are valued at the quoted market price on the first trading day following the end of the reporting period or otherwise on the best estimate of fair value.

2. Incoming resources from generated funds

	Restricted	Unrestricted	2020 Total	2019 Total
	£	£	£	£
Private donors: gift of shares	-	2,925,000	2,925,000	-
	-	2,925,000	2,925,000	-

3. Charitable activities: grants made

		2020 Total	2019 Total
		£	£
<i>Grantee</i>	<i>Purpose of grant</i>		
Retina UK (formerly RP Fighting Blindness)	Research into <i>retinitis pigmentosa</i> and support for people with that condition.	65,000	110,000
Chiltern Foodbank	Community food aid	1,000	-
One Can Trust	Community food aid	1,000	-
Martin Lewis Coronavirus Emergency Fund	Rapid grant making to civil society organisations responding to the pandemic in the UK (pooled fund)	100,000	-
Maddam Trust (Sri Lanka)	Education of disabled children in Sri Lanka.	64,136	49,379
Lotus Flower Trust	Support for schools and children's centres in the Indian Himalayas	10,000	-
Who Cares Scotland	Support and advocacy for care-experienced young people	-	25,000
Camphill Milton Keynes	Support for people with disabilities	-	50,000
		242,462	234,379

4. Commitments to charitable expenditure in future years.

At 31 December 2020 the trust did not have any binding outstanding commitments to charitable expenditure in 2021 or beyond. However during early 2021 a grant programme was agreed with the Blagrave Trust including a payment of £1 million during 2021 which has since been made.

5. Governance and administration

There were no payments to trustees during the year (2019: nil). During the year the charity had no employees (2019: nil). Resources expended were stated after charging:

	2020 £	2019 £
Administrative costs:		
Future partnerships research project	14,250	-
Foreign exchange charges for overseas payments	75	37
Other bank charges	1	1
Auditor's remuneration:		
Review	1,320	-
Accountancy	-	-
	15,646	38

No independent examination or audit was deemed to be required for previous year (2019).

6. Investments

Throughout 2020 the trust held investments in a listed open-ended investment company (OEIC). During the year new donations of shares in the OIEC were received, and some units were sold to raise income for operations. Also, the trust received dividends on the shares, which are accounted for as income. The proceeds of that dividend income were reinvested.

	2020 £	2019 £
Value of investments at start of year or on receipt	274,338	469,423
Value of investments acquired/(divested) during year	2,725,000	-275,600
Less: Cost of new investments through dividends reinvested	-17,134	-
Value of investments at year end	3,901,052	274,338
Gain/(loss) on investments during year	884,580	80,514

7. Creditors: amounts due within one year

	2020 £	2019 £
Audit fees	1,320	-
	1,320	-

8. Analysis of net assets between funds

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Fixed and investment assets	-	3,901,052	3,901,052
Current assets	-	87,226	87,226
Current liabilities	-	-	-
Provision for future liabilities	-	(1,320)	(1,320)
Net assets at 31 December 2020	-	3,986,958	3,986,958

9. Related party transactions

The trustees give freely of their time and expertise without any form of remuneration or other benefits in cash or kind (2019: nil).

The trust received unrestricted and unconditional donations totalling £2.925 million from the trustees (2019: nil).